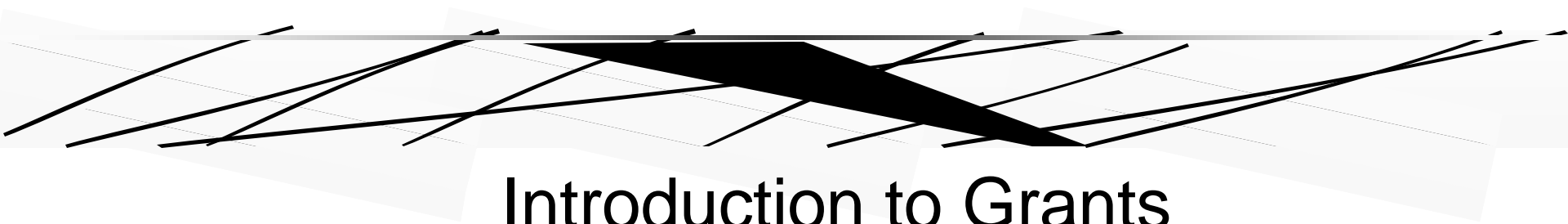




# USDOL REGION 3 FISCAL FORUM

An abstract graphic design consisting of several overlapping, semi-transparent white and light gray geometric shapes (polygons) and a network of thin black lines that crisscross the middle of the slide.

Introduction to Grants  
Management April 26 – 29, 2005

Presented By:

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Produced and

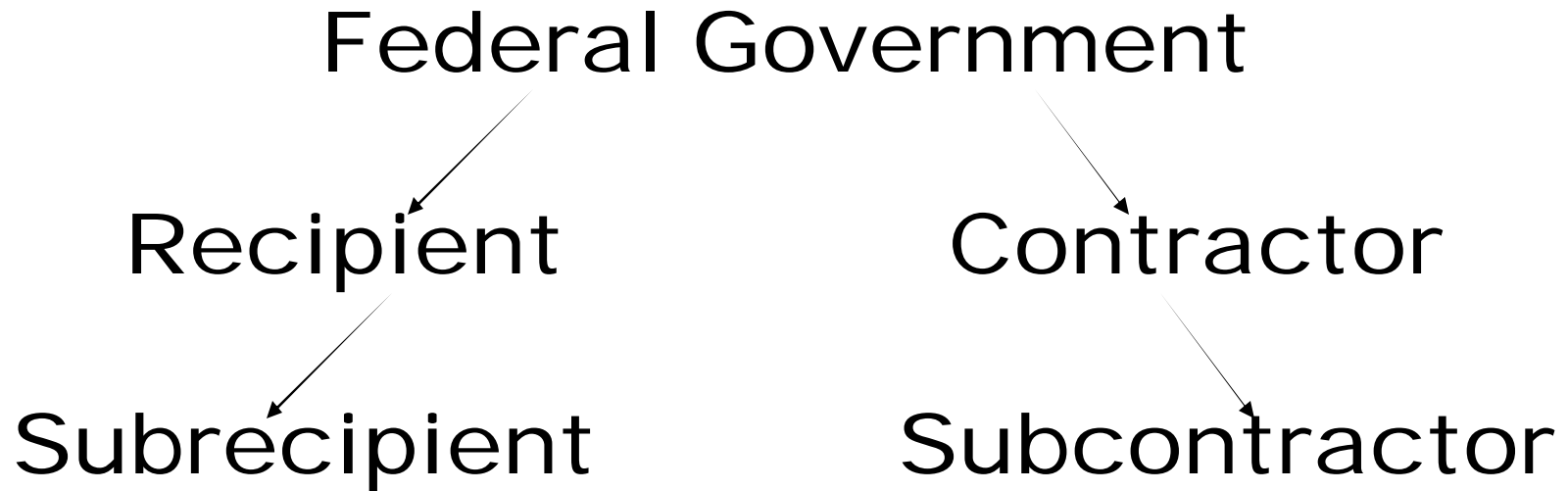
Directed by

David Whitley

# Grants Administration

- The Grant Relationship
- Hierarchy of Legal Authority
- Steps in The Grants Cycle

# The Grant Relationship



# Flow Through Concept

- Law of Privity
- Applicable Laws, Regulations and OMB Circulars

# Order of Legal Authority

- Program Statute
- Cross-Cutting Laws
- Code of Federal Regulations (CFR)
- Office of Management & Budget (OMB)  
Circulars
- Grant Agreement
- Federal Policy

# Statute/Laws

- Program Statute

Specific Law Covering  
each program – for  
example: Workforce  
Investment Act  
(WIA); Wagner  
Peyser Act

- Cross-Cutting Laws

Assurances

Compliances

Executive Orders



# Code of Federal Regulations

- Title 29 U. S. Department of Labor
- Contains all the program rules and regulations
- Parts and/or chapters each pertaining to separate program rules

# Office of Management and Budget (OMB)

## Circulars

State, Local & Tribal Governments

Requirements:

Circular:

Administrative

A-102

Cost Principles

A-87

Audit

A-133

# Colleges and Universities

Requirements:

OMB Circulars:

Administrative

A-110

Cost Principles

A-21

Audit

A-133

# Non-Profit Organization

Requirements:

OMB Circulars:

Administrative

A-110

Cost Principles

A-122

Audit

A-133

# For Profit Organizations

Requirements:

OMB Circulars:

Administrative

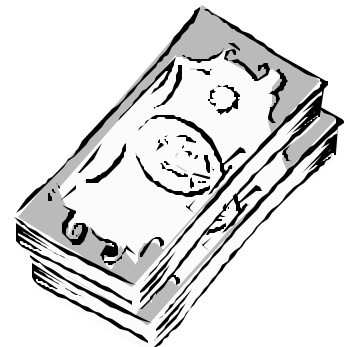
A-110

Cost Principles

FARs 31.2

Audit

Program Specific



# Grant Agreement

- Legal Instrument for Relationship between Parties
- Terms and Conditions
- Time Frames
- Scope of Work – Narrative
- Funding - Budget

# Federal Policy

- Is Not Considered Law
- Rather the Wishes/Position of the Agency



# The Grant Cycle

- Pre-Award Phase
- Post-Award Phase
- After the Grant Phase



# Business and Grant Capability

- Procurement Mgmt. & Standards
- Property Mgmt. & Standards
- Personnel Management
- Travel Policy & Procedures
- Program/Project Management
- Financial Management

# Pre-Award Requirements

- Purpose/Policy
- Forms for Applying for Federal Assistance
- Debarment and Suspension
- State Plans
- Special Award Conditions 'High Risk'

# Pre-Award Phase



- Announcement/Solicitation
- Needs Assessment
- Application Narrative
- Budget Development
- Review Process
- Negotiations

# Post-Award Requirements

- Financial and Program Management
- Property Standards and Management
- Procurement Standards and Management
- Reports and Records
- Termination and Enforcement

# Post-Award Phase

- Program Activity
- Administrative Activity
- Financial Activity

# Examples of Post-Award Program Activity

- Accomplish Specific Goals and Objectives
- Tracking the Project
- Monitor the Project
- Reporting the Progress



# Examples of Post-Award Administrative Activity

- Human Resource Management Policy
- Travel Policies
- Procurement/Property Policies
- Retention of Records
- Liability/Bonding

# Examples of Post-Award Financial Activity

- Monitor Budgets
- Analyze Cost
- Recording Cost
- Preparing Financial Reports
- Cash Management
- Implementing Internal Controls



# After-the-Award Requirements

- Closeout Procedures
- Adjustments – Disallowances
- Collections of Amounts Due
- Reconcile Accounts

# After-The-Grant Phase

- Adjustments for: PYE and FYE
- Closeout Process
- Single Audit Conducted
- Audit Resolution



# Cost Principles

- Flow-Through Concept

Direct Grant or Subgrant

Entity is to use the Applicable Cost  
Circulars Developed for Their Specific  
Organization

# Purpose and Use For Cost Principles

- To Ensure Federal Agency Pays Fair Share of Cost
- Required by Grant
- Classification of Cost – Selected Items of Cost, Cost Categories
- To Determine Allowable Cost –  
Note: Payment from Feds is only for allowable costs incurred for eligible activity

# Classification of Cost

- Direct – Identified Specifically

Function  
Program  
Project  
Activity  
Task

- Indirect Cost – Common or Joint Benefit

All entity programs benefit; for example: Human Resources, Top Management, Accounting Services

# Criteria For Allowability

- Necessary and Reasonable “Prudent Person Test”
- Allocated by Benefit Received
- Treated Consistently as Direct or Indirect
- Net of All Applicable Credits “Discounts, Refunds, Rebates”

# Criteria for Allowability (Cont.)

- Accordance with GAAP
- Adequately Documented – “Required Specifically”, “Good Audit Trail”
- Not Included as a Cost or Used to Meet Matching Requirements
- Authorized or Not Prohibited Under State/Local Laws

# Criteria for Allowability (Cont.)

- Confirms to Any Limitations or Exclusions Concerning Type or Amount of Cost as Set Forth In:
  - Applicable Cost Principles
  - Federal Laws and Regs
  - Grant Award Terms and Conditions
  - Other Governing Regs, ie., CMIA



# Criteria for Allowability (Cont.)

- Consistent With the Policies and Procedures of the Grantee or Recipient, Which Apply to Both Federal Awards and Other Activity of the Organization

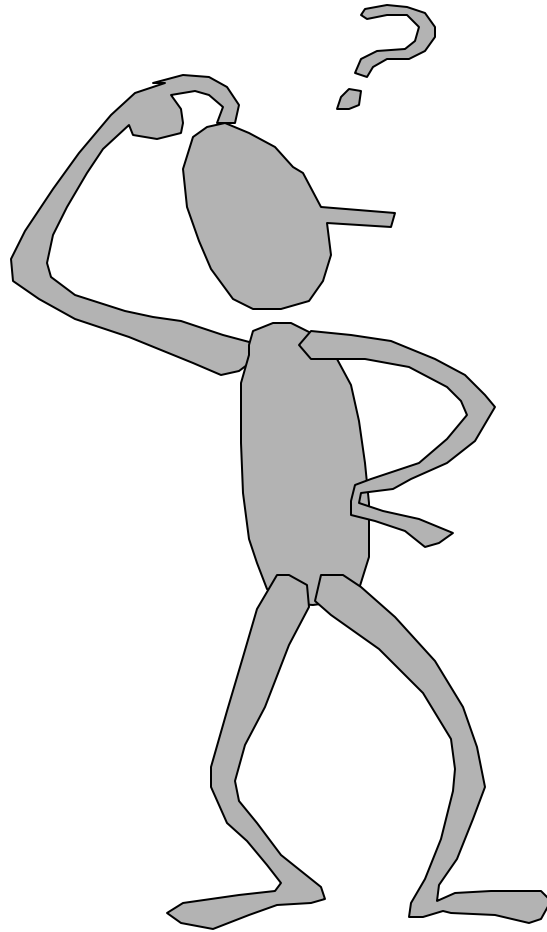
# Websites:



<http://www.whitehouse.gov>

~~<http://www.doleta.gov/>~~

# Any Questions?



**Th-th-th-that's it- that's  
all folks!**

